

Long-term energy strategy is key to SMEs

Small business owners should brace themselves for a two-fold setback due to the current electricity tariff increase which impacts on profits and ultimately the spending power of consumers.



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“Not long ago businesses struggled with load shedding as power cuts disrupted operations, resulting in the loss of revenue.”

Focus on managing energy costs

“With power supply having stabilised, the focus has now shifted to managing costs, making it essential for small businesses to identify alternative means to reduce electricity consumption and lower their operating costs to ensure the sustainability of their businesses,” says Sanjeev Orié, head of business value adds at FNB Business.

Investment in alternative energy solutions, like solar power, should be considered by SMEs that are committed to reducing their dependence on the grid.

Long-term savings

Although solar power requires a large capital investment, it can save businesses costs in the long-term, helping them to hedge against future electricity price increases and shortages. This solution would further allow SMEs to benefit from incentives offered by the government for using alternative energy sources.

When used effectively, solar power has been proven to significantly reduce electricity consumption. For example, a fuel station can use solar power during the day when the sun is shining and turn back to grid power at night.

Last year, FNB received an overwhelming response when the bank financed generators for businesses and consumers, proving that SMEs are eager to find proactive ways of dealing with electricity challenges, Orié

says.

Long-term energy efficiency strategies will be key for businesses that want to lower costs. Furthermore, small business owners have to educate and work together with their staff to reduce inefficiencies and make sure that costs are minimised as much as possible.

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